

VIA: AIR
(SPECIFY AIR OR SEA POUCH)

SECRET
SECURITY INFORMATION
CLASSIFICATION

25X1A9a

DATE: 2 August 1952

TO : Chief, EE ATTN: [REDACTED] Asst Dir,

FROM : [REDACTED] 25X1A6b

SUBJECT: GENERAL— Operational
SPECIFIC— Activity Report

| Send to: | Comments |
|---------------------------|----------|
| Hq Action Req. by cable | |
| See para by pouch | |
| Hq Comments Req. by cable | |
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| For info and files | |

25X1A2d1

25X1A9a 1. As a result of a visit to [REDACTED] two weeks ago by [REDACTED] 25X1A9a
[REDACTED] and myself, reports from there have been swamping [REDACTED] They 25X1A2d1
have agreed to send economic material through [REDACTED] from here it would 25X1A2d1
go to [REDACTED] 25X1A2d1

25X1A2d1 2. Although the material is in German, there is little difficulty
in assessing it as valuable economic intelligence data. To date, most
25X1A2d1 [REDACTED] economic material has been concerned with iron and steel, electri-
cal engineering, power, chemicals, and trade. The reports have not been
concerned with total production by industry but do contain a great deal
of material valuable in determining, among other things, input factors, trends
25X1A2d1 of production, and integration with the Soviet Bloc. The best that we
can do here, of value to [REDACTED] is to brief for SITREP those reports
which we deem to be of significance in current economic intelligence;
those reports which are of interest but older material, I brief for our
files here and send them on.

3. I have no idea how these reports will get into your hands but
I recommend looking into creating an access channel.

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4. I have had several talks with [REDACTED] head of Col- 25X1A2d1
lection here, who has been a little dismayed by evaluations of [REDACTED]
25X1A2d1 theatre reports filled out by [REDACTED] analysts (among others). It is
25X1A9a [REDACTED] contention, and I think with justification, that evaluations
should simply state whether an analyst thinks a report is valuable and
valid and whether it is desired that such reports be continued or dis-
continued. Apparently he is not interested in long-winded dissertations -
these have no meaning to him from an operational point of view.

5. A lot of thought has been put into selectivity in gathering
intelligence data. There are still a few elements who advocate col-
lecting any and all information available completely disregarding the
di-
analysts are forced to wade through a mass of stuff much of which they
already know while the gaps in intelligence remain without attention.

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Furthermore, collection effort is wasted on irrelevant material while it could be devoted to more productive ends. Also, there is a lot of needless collection done here of material which is available from other government agencies or already in Washington, and money and effort more wisely could be spent in getting information from selected targets in the Soviet Bloc.

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6. On Tuesday, the 22nd, [redacted] of [redacted] asked if I would assist him in enticing [redacted] a Hungarian engineer, into becoming a [redacted] source. Although neither of us had seen him before (of course), after two hours of discussion we felt he knew a lot about aluminum, power and coal in Czechoslovakia, Hungary and to a much lesser extent in Poland, Bulgaria and Rumania.

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25X1A9a 7. [redacted] believes testing and other administrative matters can be handled quickly and assuming [redacted] is OK, he'll be ready for interrogation in the next couple of weeks. [redacted] would like [redacted] 25X1A2d1
interrogation help in the specialized fields. I shall inform you about arrangements. [redacted] speaks English rather well, and desires to work in the United States or Canada.

8. With the arrival of an assistant, [redacted] we've 25X1A9a
been able to get at some filing and will soon tell what we have and haven't as far as economic intelligence goes. The "in" material, however, still is piled high.

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9. I wonder how much of the economic material passing through here gets into your hands and when. Facilities through which this intelligence is passed is SITREP, dispatches, and our reports division who send intelligence reports to [redacted]

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25X1A2d1 10. After three months in [redacted] I feel very enthusiastic about my landing here and feel that this has a great deal of advantages over the old "team" thinking which was prevalent in [redacted] last winter.

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Practically all of the economic intelligence available in [redacted] 25X1A2d1
sought by [redacted] is of interest to [redacted] and it also works the other 25X1A2d1
way. In some cases the emphasis is different because of the research project work done in [redacted] has the only economic desk in the [redacted] station and consequently it is the central point for all incoming economic material.

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11. Communication with [redacted] has been excellent. Cooperation from other sections of the [redacted] station has been enhanced by my being on PCS employed in Strategic rather than being a separate entity.

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[redacted] and I have discussed several times the advantage of working

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right in with the established organization, and I'm more and more convinced that the only way [REDACTED] interests can be adequately covered is through an arrangement whereby [REDACTED] members become integrated into [REDACTED] With guidance on a continuing basis, there are all the opportunities to obtain the greatest amount of economic intelligence for [REDACTED] 25X1A2d1 25X1A2d1

12. We have not as yet received any notification of the two [REDACTED] members to be assigned on PCS. I hope they'll be aboard soon as the intelligence material keeps coming in big doses. 25X1A2d1

25X1A9a 13. [REDACTED] an economist with [REDACTED] has been on leave in the United States since April. She has been advised to stop in and see you or your staff on her way back to [REDACTED] some time in August. 25X1A2d1 25X1A2d1 She would like to discuss placement in [REDACTED] upon termination of her tour of duty some time around the end of this year.

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[REDACTED]

Distribution

2 Fwd
1 Rpts

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25X1A [REDACTED]

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